



LAUGHING WITH LONI—Funny man Bob Hope shares a joke with actress Loni Anderson during a taping yesterday at the Hilton Hawaiian Village. Hope is preparing a special on Hawaii's 25th anniversary of statehood. —Star-Bulletin Photo by Craig T. Kojima.

In Hawaii...

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CIA Is Sued by Rewald Investors

By the Associated Press

SAN FRANCISCO — A group of Northern California investors filed suit against the CIA yesterday, seeking \$5.5 million damages for allegedly portraying Ronald Rewald's investment company, now in bankruptcy, as a CIA operation.

The lawsuit was brought by Robert W. Jinks of Napa, doing business as Napa Properties, and 14 Napa County investors in the partnership.

The suit said Jinks and the 14 others invested \$597,939 in Bishop, Baldwin, Rewald, Dillingham & Wong from October 1982 through June 1983.

According to the suit, Jinks was told by Rewald that the company was a CIA operation and funds invested, including principal and interest, were "secured and backed by the full faith and credit" of the United States and guaranteed by the CIA.

It further claimed Rewald said the investment was being used for the CIA and national security and the company was started by the agency to "infiltrate international banking operations in order to discover transfers of capital to and from communist countries."

REWALD ALSO said the investment would have a guaranteed growth of at least 20 percent annually, the suit alleged.

The suit claims the CIA deprived the plaintiffs of property through fraud and duress, that there was a breach of contract and that the CIA was negligent if the company was not its operation and it failed to tell Jinks.

Rewald faces two counts of theft by deception in connection with last summer's collapse of his bankrupt investment firm that cannot account for \$17 million. He originally was held on \$10 million bail, but the figure was twice reduced, and Rewald was released from custody Jan. 30 after posting \$140,000.

CIA agents removed six packets of documents from Rewald's offices last July. The packets were sealed under a federal court order requested by the CIA.

Federal Judge Martin Penne said at the time that the documents had nothing to do with the missing money.

THE NAPA County investors claim they lost both principal and interest. The lawsuit, which seeks restitution of the invested money and \$5 million in general damages, said Jinks is repaying investors out of personal funds.

Dale Peterson, CIA public affairs officer in Washington, said he would have no comment on the suit, but said documents released by a court in Hawaii indicated the CIA involvement with the company was "very minor, very small."

The suit listed several reasons why Jinks believed Rewald. It alleged Jinks met the Honolulu CIA station chief in the company's office several times and discussed company activities for the CIA with him.

The suit also claimed Jinks was shown a direct and exclusive phone to CIA headquarters and overheard calls involving agency activities. It also said Jinks was introduced to active and retired CIA agents employed by the company and verified this from outside sources.